

**ORDER WAIVING PENALTY AND INTEREST FOR QUARTERLY REPORTS AND
PREMIUM LICENSE TAX PAYMENTS REQUIRED BY CERTAIN SURPLUS LINES
BROKERS**

Whereas the General Assembly enacted Chapter 850 of the 2011 Acts of Assembly, which transferred the administration of the insurance premiums license tax, including the administration of the tax imposed upon surplus lines brokers pursuant to *Va. Code* § 38.2-4809, from the State Corporation Commission to the Department of Taxation;

Whereas *Va. Code* § 38.2-4809(B) requires each licensed surplus lines broker and any person required to be licensed as a surplus lines broker whose annual premium license tax liability can reasonably be expected to exceed \$1,500 to file a quarterly tax report with the State Corporation Commission, but does not impose penalty or interest for the failure to file such quarterly report;

Whereas *Va. Code* § 58.1-1812(A) requires the Tax Commissioner to assess taxes, penalty, and interest, including a penalty of 5 percent of the tax due if no other penalty is prescribed by law;

Whereas *Va. Code* § 58.1-112 grants the Tax Commissioner the authority to waive penalties and grant extensions of time to file a return or pay a tax, or both, to any class of taxpayers when the Tax Commissioner in his discretion finds that the normal due date has, or would, cause undue hardship to the class of taxpayers because of a natural disaster or other reason;

It is therefore **ORDERED** that the penalty and interest be waived for any quarterly tax report and related premium license tax payment required to be filed and paid under *Va. Code* § 38.2-4809(B) for taxable years beginning on and after January 1, 2013. The Department will accept quarterly tax returns so filed and will treat the payment of premiums license taxes owed for premiums shown on such reports as estimated payments to be applied against the amount of premiums license tax owed on the annual report required to be filed under *Va. Code* § 38.2-4809(A). This waiver shall continue in effect until modified or revoked by a subsequent order or until subsequent legislation modifies filing procedures with respect to such returns.

It is further ordered that this order shall be classified as a guidance document and preserved as required by *Va. Code* § 58.1-112 and that modifying the forms and instructions for returns to reflect this order is adequate to inform the affected class so that no further publication is required.



Craig M. Burns, Tax Commissioner



Date

**ORDER WAIVING PENALTY AND INTEREST FOR QUARTERLY REPORTS AND
PREMIUM LICENSE TAX PAYMENTS REQUIRED BY CERTAIN SURPLUS LINES
BROKERS**

Requested By:

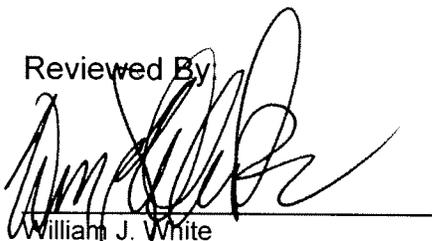


Mark C. Haskins
Director, Policy Development
Office of Tax Policy

5/1/2012

Date

Reviewed By



William J. White
Assistant Commissioner
Office of Tax Policy

6-11-12

Date